PLAINTIFF'S EXHIBIT

ET-74

ELLIOTT EBARA GROUP

STANDARD PROCEDURE INSTRUCTION MANUAL

ECOMS File: SPI

STANDARD PROCEDURE INSTRUCTION	Date Effective: 08/13/91	SPI Number: 11-59
Manual Section: ADMINISTRATION - GENERAL POLICIES	**Date Issued:** 08/13/91	**Revision No:** NEW

Subject: Record Retention	**Supersedes:** All previous notices and instruction

This Procedure Affects:

- [x] Jeanette
- [ ] [illegible]
- [ ] EMA Operation
- [ ] [illegible]
- [x] ESS
- [ ] [illegible]

Sales:

- [x] U.S.
- [ ] Canada
- [ ] Outside U.S. & Canada

Service:

- [x] [illegible]
- [ ] Canada
- [ ] Outside U.S. & Canada

Departments Affected - Plant: All Departments	**Field:** All Offices

Purpose: To outline the policy and procedure to be followed for the retention of corporate records. To establish the policy for identifying, retaining, storing, protecting and disposing of corporate records.

Approval Signature Section

Approved By: Klaus P. Fischer **Date:** 07/15/91

Approved By: N/R **Date:**

Approved By: N/R **Date:**

Approved By: N/R **Date:**

Approved By: **Date:**

Approved By: **Date:**

Document Control: John J. Lapina **Date:** 07/14/91

DEFINITIONS (ISO)

A. Active Record - Records which continue to satisfy an immediate use requirement.

B. Inactive Record - Records for which use or reference diminishes sufficiently to permit removal from the immediate area of responsibility without impairing normal business

C. Records - Any documentary material, regardless of physical form, that is generated or received by the Company in connection with transacting its business, is related to the Company's legal obligations, and is retained for any period of time. Documentary material containing personal information such as appointment calendar is considered a record.

D. Records Management - The planned and systematic control of business records from their creation through final disposition.

E. Vital Records - Records that are considered essential to the continuity of the Company. Without them the business would be significantly impaired or could not survive a catastrophe as they are necessary for the creation of the business.

POLICY

General

1. It is the Company's policy to maintain complete, accurate and high quality records. Records are to be maintained for the period of their immediate use, unless longer retention is required for historical reference, contractual or legal requirements, or for other purposes as set forth in this SPI.

2. Records that are no longer required, or have satisfied their required period of retention, are to be destroyed in an appropriate manner.

3. Specific requirements, responsibilities and retention periods applicable to the Company's records are set forth in this SPI. If a particular type of record is not mentioned, contact the Legal Department for the appropriate retention period.

4. All employees are responsible for ensuring that accurate and complete records are identified, retained, stored, protected and subsequently destroyed within the area of assigned responsibility.

5. All subsidiaries and divisions are responsible for establishing and maintaining Records Management Programs satisfying the applicable requirement of their particular area, including any foreign government requirements, and assigning internal responsibilities for records identification, retention, protection, retrieval and disposal.

6. Records containing U.S. Government classified information and Elliott Proprietary Information are to be handled in accordance with SPIs 11-43 and 11-47, respectively.

Records Screening

7. Records are to be screened periodically to determine if they are active or inactive (see Definitions). Active records must be stored in the immediate area of responsibility.

8. Records determined to be inactive are to be reviewed for possible storage in Archives. An assessment is to be made of the:

   a. Need for retention
   b. Frequency of reference
   c. Nature of reference
   d. Established retention periods
   e. Filing requirements and
   f. Volume of files.

9. Duplicate and multiple materials are to be eliminated. The record furnishing the most conclusive evidence will be maintained. Original records are preferred unless there is a legitimate reason that the original is not available. Records are not to contain personal notations, other than the author's signature.

10. Correspondence is not to be maintained with the records unless the correspondence is an integral part of the file being sent to storage.

11. Records should be transferred to Archives at annual intervals except where the volume warrants more frequent transfer.

Records Storage

12. Archive storage

    a. Archive storage is to be maintained in accordance with SPI 12-2.

    b. Corporate headquarters and divisions/subsidiaries are to establish and maintain records centers to store, control, and protect inactive records. Records centers are to be in safe/secure locations, protected from environmental and other potential harm.

13. Vital Record Storage

    a. Corporate headquarters and divisions/subsidiaries are to identify those records which are essential to the continuity of the Company and designate them as vital records (see Definitions).

    b. Vital records are to be duplicated and duplicate records stored in off-site locations for reconstructive use in the event of a disaster. A current listing with locations of Vital Records should be maintained.

14. Electronic Storage

    a. The records management procedures and records retention periods set forth are also applicable to electronic records.

b. The use of magnetic tape, disc or similar electronic media for records storage purposes for periods which exceed one year is discouraged. Special packaging, handling and environmentally controlled facilities are required for storage period exceeding one year.

c. MIS is to maintain guidelines and advise affected personnel in their use in accommodating long-term electronic media storage equipment.

15. Film Storage

a. The records management processes and record retention period set forth are also applicable to film storage including microfilm, microfiche and similar media.

b. The use of film for records storage and retention purposes is to be selective to ensure cost effectiveness. Standard practices are to be developed and utilized when reducing information to film to ensure authenticity is not impaired.

c. SPI's are to be developed and followed by the affected area. See SPI 24-22 Sales-Service Policy, Microfiche of Shop Order Folders.

16. Access to and Retrieval of Stored Records

a. Access and retrieval are to be governed by SPI 12-2.

Records Reviewed and Destruction

17. Generally, records are to be retained in area storage or Archives for the retention periods outlined in the attached schedules. Upon expiration of an applicable retention period, the record is to be reviewed and destroyed unless an extended retention period is requested in writing, with satisfactory justification by cognizant management authority.

File Purging

18. Each company location is to conduct, at least annually, a formal files purging process. The process is to be planned and carried out within applicable functional departments. During or as a result of this process:

a. Retention requirements for all U.S. subsidiaries and divisions should be maintained, consistent with those maintained at Jeannette headquarters.

b. Records which require retention are to be identified, grouped, labeled and transferred to Archives for appropriate storage.

c. Records which have exceeded their required retention period are to be identified/destroyed; and

d. Unnecessary duplicate and multiple copies of the records are to be identified/destroyed.

19. Company supervisors are to ensure that the business files of terminating or transferring employees are reviewed concurrent with the employee's departure. Such files are to be reassigned to other employees or purged.

Training

20. All employees involved in or responsible for records management activities should be trained and kept current in all aspects of the records retention function.

Guide Lines for Correspondence and Internal Memoranda

21. Letters to be destroyed within one year:

    a. Routine letters and notes which require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letter of transmittal and plans for meetings.

    b. Form letters which require no follow-up.

    c. Copies of interdepartmental or other company correspondence where a copy of same will be in the originating department's file.

    d. Letters of general inquiry and replies which complete a cycle of correspondence.

    e. Letters or complaints requesting specific action which have no further value after changes are made or action taken (such as name or address change.)

    f. Other letters of inconsequential subject matter or which definitely close correspondence to which no further reference will be necessary.

    g. Chronological correspondence files.

Letters to be kept from 1 to 5 years. (Following are examples, however the specific retention periods should be defined in the appropriate functional category or department.

    a. Letters explaining but not establishing company policy.

    b. Letters relating to establishing credit.

    c. Collection letters after the account is paid.

    d. Quotation letters where no contract results.

Letters to be kept indefinitely or for the life of the principal document which it supports. (Following are examples, however specific retention periods should be defined in the appropriate functional category or department.)

    a. Letters pertaining to patents, copyrights, bills of sale, permits, etc.

    b. Letters which constitute all or a part of a contract or which are important in the clarification of certain points in a contract.

    c. Letters denying liability of the Company.

Schedule Codes

22. C - Current
    P - Permanent
    AT - After Termination

SUP - Until Superseded
OBS - Obsolete
AC - After Completion
AF - After Fiscal Year End
* - Close of Tax Year

Retention Schedules

23. Administration (General)
Contract Administration
Cost Accounting
Cost Estimates Control Department
Credits and Collections
Design Services
Disbursements Accounting - Accounts Payable
Elliott Turbomachinery Canada
Employee Benefit
Employee Relations
Engineering
Environmental
Facilities Planning Department
Field Sales
Field Service Offices
Financial Accounting
Financial - Plant Accounting
Financial and Strategic Planning
Government Repairs/Parts
Insurance
Inventory Accounting
Legal
Manufacturing Management
Marketing
MIS Applications
MIS - Data Center
MIS - Personal Computers
MIS - Technical Computing
MIS - Telecommunications
Plant Air - Administration
Plant Air - Product Engineering
PAP - Contract Engineering
PAP - Drafting
PAP - Marketing
Payroll
Production Control
Production Management
Project Management
Purchasing
Safety - Medical - Security
Service
Tax
Turbo Products Administration
Turbo Products Group
Quality Assurances

The above Retention Schedules may be added to or revised as necessary. Such revision date is to be in the upper right hand corner of the schedule. The actual schedule will be maintained in each individual department with a "Master" Schedule from each department retained in the Systems and Procedures Department.

END OF DOCUMENT